



SAP for Public Sector

CONTROLLING IN THE PUBLIC SECTOR

**OPTIMIZED CONTROL AND IMPROVED OVERVIEW OF
COSTS WITH SAP FOR PUBLIC SECTOR**

Today, government agencies must rely heavily on modern controlling procedures to handle the diverse challenges in accounting and tight budgets. With the SAP® for Public Sector solution portfolio, SAP opens up new opportunities to government agencies for controlling all internal services and cost flows. This provides government agency managers with a basis for making informed decisions so that they can achieve their goal of providing service-oriented administration and effective cost management.

MODERN BUSINESS METHODS FOR EFFICIENT PLANNING AND CONTROLLING

The integrated controlling method of the SAP for Public Sector solution portfolio provides a range of modern planning and controlling tools. These tools facilitate the efficient management of resources, which is critical for sustaining lean administrative organizations.

Controlling is one of three pillars of comprehensive accounting for public sector authorities, along with funds management and business accounting. Cost and performance accounting is an essential part of controlling and requires a comprehensive instrument for representing organizational structures, based on costs, services, and key figures, as well as the factors that influence them. With its cost and performance accounting functions, controlling constitutes the essential basis of management information systems for the strategic controlling of administrative organizations.

SAP for Public Sector offers up-to-date and demand-oriented functions that provide all the data necessary for determining and controlling costs for products and services. This includes product and service definition, output and service level budgeting and creation, and product and service budgets, as well as resource planning and controlling.

SUPPORTS ALL CURRENT COST ACCOUNTING PROCEDURES

The cost and performance accounting functions of SAP for Public Sector support all current cost accounting procedures – from actual and standard costing, and full or variable costing, to contribution margin and activity-based costing. With SAP for Public Sector, your agency can manage cost accounting by taking into account its individual starting position and targets. In this manner, you can first choose simple actual costing for cost centers and products or services and then move on to the more advanced elements of cost and performance accounting at a later stage. Business transactions for budget execution and cost accounting only have to be entered once because SAP for Public Sector integrates all application areas – cost and performance accounting, as well as funds management.

EFFICIENT DIRECT AND OVERHEAD COST CONTROLLING

You assign direct costs to products and services within SAP for Public Sector. General administration costs constitute the largest cost for all government agencies. The overhead cost controlling functions are perfectly suited for the challenge of maintaining the overview of these costs. Costs that are currently assigned to overhead costs without differentiation can now be assigned to cost centers and then to products and services, with little time and effort. The overhead cost controlling functions of SAP for Public Sector also help you to control and calculate overhead costs one step further, by dividing them into costs incurred in the different administrative areas. You can adapt the system to suit the individual requirements of your administration.

Activity-based costing capabilities enhance your overhead cost controlling measures by providing cross-department business process views and optimizing time, costs, and quantity. You assign costs that can be calculated immediately directly to processes according to the actual outside usage; this provides an improved overview of overhead costs. You can display specific influencing factors, so you can identify weaknesses within the complete business process at an early stage.

PERFORMANCE-BASED LEVELS

The controlling capabilities of SAP for Public Sector provide you with a clear view of costs, focusing on the external and internal services within your organization. As a result, you can represent individual types of services in detail.

Cost and performance controlling capabilities provide you with a variety of methods for clarifying the results and the output of administrative duties based on the types of services, products, processes, projects, and general cost objects. In the cost object controlling area, product and service costs and revenues are represented and evaluated for each individual product and service, as well as for their specific defined groups.

Cost and performance controlling capabilities also generate and control the product and service budget separately, as well as plan and calculate product and service costs exactly. In other words, the system facilitates output orientation and resource control in the new controlling model. The results are represented and analyzed in the profitability analysis – for example, contribution margins.

OPERATIVE KEY FIGURES

Key figures are an essential component of efficient controlling in government agencies. They provide the responsible employee with a summary of the relevant developments of their area, and they offer a solid basis for making internal comparisons. Key figures also provide a good method for defining operative targets.

SAP for Public Sector uses both quantitative and qualitative key figures. All key figures are evaluated in the solution's reporting capabilities and are available in actual and planning analyses.

With SAP for Public Sector, you can:

- Create individually adjusted key figure structures
- Create key figures for all administrative areas (also decentralized)
- Use the interface for copying key figures from external systems
- Define and create key figures for both the product and service budget and at the cost center level
- Use planned and actual key figures
- Use price determination for output-oriented key figures
- Relate key figures to each other or to costs and revenue information
- Aggregate key figures for summarizing values for the whole organization in reports
- Analyze time series and create planned/actual comparisons

The key figures used in the controlling capabilities of SAP for Public Sector are a component of the basis information for strategic administration control.

REPORTING

SAP for Public Sector allows you to access up-to-date information quickly. This means that controlling capabilities are only as good as the reporting solution supporting it. For this reason, SAP places great importance on reporting. In SAP for Public Sector:

- Reporting data is determined at the time of evaluation from the current data set.
- Numerous standard reports provide comprehensive insight into the position of the organization as a whole.
- An easy-to-use report generator allows you to modify or create new individual reports.
- By using different access helps, individual reports are provided for the relevant employee subgroup.
- If needed, you can directly analyze aggregated information by drilling down as far as the individual document level.
- Traffic-light functions and graphic formatting of reports are standard.
- Complete integration of the reports using Microsoft Office applications is provided.
- A connection is provided between reporting and your e-mail system. Reports are available directly by e-mail.
- All reports are available in HTML format as the basis for the structure of an Internet-based information system.

PLANNING

One of the core functions of controlling in SAP for Public Sector is variance analysis. Variances occur, among other reasons, when the desired planned state is not actually achieved.

SAP for Public Sector is an optimal solution portfolio for planning product and service budget and overhead costs. Because lots of people are normally involved in the planning process, SAP has placed special importance on ensuring that planning data entry is simple and suitable to individual needs. The combination and reconciliation of planning contents are key components within the SAP® planning solution. The SAP planning solution provides the following:

- Derivation of planning from existing actual and/or plan data
- Support for top-down and bottom-up planning procedures
- Planning of key figures
- Individual design of plan entry masks
- Integration with Microsoft Excel
- Plausibility checks regarding resource consumption

COMPARE THE FUNCTIONS AND ADVANTAGES: CHOOSE SAP FOR PUBLIC SECTOR

SAP for Public Sector provides comprehensive, customizable solutions for the seamless integration of all processes within your government agency. Unlike any other solution portfolio, SAP for Public Sector links all administrative processes to one integrated chain of functions.

Integrated controlling processes in SAP for Public Sector ensure that you maintain an overview of all costs and resource consumption. Its business accounting, funds management (including budgeting), and controlling capabilities form a solution that enables your organization to achieve its policy and business goals.